

## Message Text

SECRET

PAGE 01 STATE 300509

53

ORIGIN SSO-00

INFO OCT-01 ISO-00 /001 R

DRAFTED BY S/S-O: CASEY

APPROVED BY S/S-O: PERITO

DESIRED DISTRIBUTION

1 COPY FOR S/S-O

----- 077237

O 101117Z DEC 76

FM SECSTATE WASHDC

TO JCS IMMEDIATE

SECDEF IMMEDIATE

CIA IMMEDIATE

WHITE HOUSE IMMEDIATE

S E C R E T STATE 300509

LIMDIS-DOD HANDLE AS SPECAT EXCLUSIVE FOR SECDEF

E.O. 11652: GDS

TAGS: PFOR

SUBJECT: MORNING SUMMARY OF SIGNIFICANT REPORTS

-

1. EGYPTIAN-SOVIET RELATIONS NOT YET "NORMALIZED"

SOVIET AMBASSADOR TO CAIRO POLYAKOV TOLD AMBASSADOR EILTS  
THE FAHMY-GROMYKO MEETING IN SOFIA WAS ONLY PRELIMINARY AND  
THE SOVIETS STILL DO NOT FEEL THE GOE HAS DONE ENOUGH TO  
WARRANT NORMALIZATION OF RELATIONS. POLYAKOV ALSO SAID:

--A SECOND FAHMY-GROMYKO MEETING IS POSSIBLE, BUT NOT  
IN THE IMMEDIATE FUTURE.

--EGYPT'S POSTURE DURING THE JANUARY BILATERAL TRADE  
PROTOCOL TALKS WILL SIGNAL ITS INTEREST IN IMPROVING  
RELATIONS.

--THE USSR EXPECTS EGYPT TO SATISFACTORILY REDUCE ITS  
SECRET

SECRET

PAGE 02 STATE 300509

LARGE INDEBTEDNESS.

--THE SOVIETS HAVE NOT RESUMED ARMS OR SPARE PARTS SHIPMENTS TO EGYPT.

--EGYPTIAN POLICY, WHICH STILL TILTS MARKEDLY TOWARD THE US, SHOULD BE MORE BALANCED BETWEEN THE TWO SUPER-POWERS. (CONFIDENTIAL) CAIRO 16883, 12/8.)

## 2. JAPANESE ECONOMIC POLICY: NO YEN FOR CHANGE

EMBASSY TOKYO PREDICTS LITTLE CHANGE IN JAPANESE ECONOMIC POLICY DESPITE THE LIBERAL DEMOCRATIC PARTY'S LOSSES. ECONOMIC POLICY MANAGEMENT, HOWEVER, MAY BECOME MORE DIFFICULT FOR THE PERMANENT PROFESSIONAL BUREAUCRACY. THE EMBASSY FURTHER EXPECTS THAT:

--THE DIET WILL PASS A SUPPLEMENTAL BUDGET TO STIMULATE BUSINESS ACTIVITY, PROBABLY BY THE END OF JANUARY.

--FUKUDA MAY HAVE TO BOW TO THE DESIRE OF SOME OPPOSITION ELEMENTS FOR A TAX CUT TO PRESERVE THEIR SUPPORT ON KEY ISSUES.

--THE GOVERNMENT IS LIKELY TO SHY AWAY FROM INTERNATIONAL ECONOMIC AGREEMENTS WHICH REQUIRE DIET CONSIDERATION, FAVORING INSTEAD BILATERAL OR MULTILATERAL INFORMAL ARRANGEMENTS.

--JAPANESE POLICIES TOWARD ALL IMPORT-SENSITIVE PRODUCTS WILL PROBABLY BECOME EVEN MORE DIFFICULT TO CHANGE.

--TOKYO WILL NOT PASS UP THE OPPORTUNITY TO HOST THE NEXT ECONOMIC SUMMIT, DESPITE THE ENORMOUS PROBLEMS IT ENTAILS. (CONFIDENTIAL) TOKYO 18146, 12/9.)

## 3. JIDDA: SOVIETS MAY HAVE LOST OPPORTUNITY IN THE GULF

EMBASSY JIDDA BELIEVES THE SOVIETS HAVE MADE A MAJOR MISTAKE

SECRET

PAGE 03 STATE 300509

TAKE IF, AS EMBASSY MOSCOW SUGGESTS, RECENT RUSSIAN PRESS ATTACKS AGAINST SAUDI ARABIA INDICATE MOSCOW HAS ABANDONED ITS DRIVE FOR BETTER RELATIONS WITH THE GULF STATES. SAUDI OPPOSITION TO COMMUNIST DIPLOMATIC REPRESENTATION IN THE GULF HAD SOFTENED RECENTLY AS THE SAG SOUGHT TO DEMONSTRATE ITS INDEPENDENCE OF THE US. BUT VEHEMENT ANTI-SAUDI ATTACKS IN MOSCOW'S NEW TIME, WHICH PRODUCED SHARP EDITORIAL COUNTERATTACKS IN SAUDI ARABIA, MAY HAVE STIFFENED

OPPOSITION TO THE USSR. (CONFIDENTIAL) JIDDA 7912, 12/8  
AND (LIMITED OFFICIAL USE) MOSCOW 18840, 11/1.)

; SECRET

4. ITALY: PCI OFFICIAL EYES THE FUTURE

A RESPONSIBLE OFFICIAL OF THE ITALIAN COMMUNIST PARTY (PCI)  
TOLD EMBASSY ROME THE PARTY:

--IS ENCOUNTERING PROBLEMS BECAUSE OF LEADERSHIP DIS-  
AGREEMENTS OVER STRATEGY, UNION OPPOSITION TO THE  
PCI'S SUPPORT OF AUSTERITY PROGRAMS, AND IMPATIENCE  
AMONG THE RANK AND FILE;

--MUST ACHIEVE A GOVERNMENTAL ROLE GRADUALLY, IN ORDER  
TO FORESTALL POPULAR REACTION; AND

--WOULD LIKE TO JOIN THE PARLIAMENTARY MAJORITY IN THE  
SPRING, BUT DELAY FORMAL ENTRY INTO THE GOVERNMENT  
UNTIL LATER.

THE OFFICIAL CONCLUDED WITH THE HOPE THAT THE CARTER ADMIN-  
ISTRATION MIGHT OPEN A NEW ERA IN PCI/US RELATIONS. (CON-  
FIDENTIAL ROME 19986, 12/8.)

5. PRC: TENG'S REHABILITATION SUCCEEDING?

COMMUNIST PUBLISHER FEI I-MIN TOLD CONGEN HONG KONG DECEM-  
BER 7 HE BELIEVED TENG HSIAO-PING'S REHABILITATION WAS NOW  
ONLY A MATTER OF TIME, AND THE CAMPAIGN AGAINST HIM HAD  
BEEN MANIPULATED BY THE "GANG OF FOUR" IN ORDER TO ATTACK  
HUA KUO-FENG. MEANWHILE, CHINESE SOURCES TOLD THE WEST  
SECRET

SECRET

PAGE 04 STATE 300509

GERMAN EMBASSY IN PEKING AN EXHIBIT, PLANNED FOR JANUARY,  
WILL PROVE THE "GANG OF FOUR" ENGINEERED LAST APRIL'S  
RIOTING IN TIEN AN-MEN SQUARE IN ORDER TO JUSTIFY THE DIS-  
MISSAL OF TENG AND SIDETRACK DEMONSTRATIONS IN FAVOR OF  
CHOU EN-LAI. IF SUCH AN EXHIBIT OCCURS, IT WILL BE THE  
MOST EXPLICIT INDICATION YET THAT EFFORTS TO REHABILITATE  
TENG ARE SUCCEEDING. (CONFIDENTIAL) HONG KONG 14215, 12/8  
AND PEKING 2514, 12/7.)

6. SARKIS NAMES TECHNOCRAT TO FORM NEW GOVERNMENT

PRESIDENT SARKIS HAS NAMED SALIM AHMED HUSS, AN AMERICAN-  
EDUCATED TECHNOCRAT, AS PRIME MINISTER OF LEBANON. HUSS,  
A SUNNI MOSLEM, IS EXPECTED TO NAME A PRAGMATIC, NON-  
POLITICAL CABINET RESPECTING THE TRADITIONAL ALLOCATION OF

POSTS AMONG LEBANON'S FEUDING RELIGIOUS COMMUNITIES AND TO OBTAIN QUICK PARLIAMENTARY CONFIRMATION. BRILLIANT AND SELF-EFFACING, HUSS WAS REPORTEDLY UNENTHUSIASTIC ABOUT BECOMING PRIME MINISTER AND WOULD HAVE PREFERRED TO WORK FULL TIME ON RECONSTRUCTION. (CONFIDENTIAL) BEIR'T ,;7;. 12/9.)

7. SINGAPORE CRITIQUES THE NEW THAI GOVERNMENT

SINGAPORE'S DEPUTY PRIME MINISTER GOH TOLD VISITING ADMIRAL WEISNER AND AMBASSADOR HOLDRIDGE THAT THE SINGAPORE GOVERNMENT:

--WAS NOT "UNHAPPY" WITH THE CHANGE OF REGIMES IN THAILAND, AS THE NEW GOVERNMENT GAVE PROMISE OF BEING ABLE TO DEAL EFFECTIVELY WITH BOTH ECONOMIC PROBLEMS AND THE INSURGENCY;

--WAS STILL WORRIED ABOUT THANIN, WHO LACKS THE POLITICAL EXPERIENCE NECESSARY TO RUN A GOVERNMENT;

--HAS AGREED TO ASSIST THAILAND IN REORGANIZING THAI INTELLIGENCE, TO BETTER COPE WITH COMMUNIST SUBVERSION; AND

--HAS WARNED THANIN AGAINST WHOLESAL ARRESTS OF SUSPECTED SUBVERSIVES AND URGED HIM TO CONCENTRATE ON KEY  
SECRET

SECRET

PAGE 05 STATE 300509

LEADERS RATHER THAN EXPENDABLE FOLLOWERS. (SECRET)  
SINGAPORE 5520 (LIMDIS), 12/8.) ROBINSON

SECRET

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MORNING SUMMARY  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 DEC 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ullricre  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE300509  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** O: CASEY  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760456-0825  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19761253/aaaabtos.tel  
**Line Count:** 203  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN SSO  
**Original Classification:** SECRET  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** SECRET  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ullricre  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 FEB 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 FEB 2004 by GarlanWA>; APPROVED <09 AUG 2004 by ullricre>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MORNING SUMMARY OF SIGNIFICANT REPORTS -  
**TAGS:** PFOR, XX  
**To:** JCS DOD CIA MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006